Testimony before

The House International Relations Subcommittee on Asia and the Pacific

Hearing on:

"The United States and South Asia"

An assessment of appropriate U.S. strategic objectives in South Asia, including an outline of the specific policy instruments, through which we should achieve our goals

As delivered by:

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South Asia Congressional Testimony

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Thank you, Mr. Chairman and Members of the Committee for inviting me to speak today on American interests in South Asia. I must begin my testimony with the disclaimer that the following statement are my personal views and do not necessarily reflect the views of the Heritage Foundation.

Among the most appealing changes brought by the end of the Cold War is the flourishing American relationship with the billion and half people of South Asia. The United States shares many interests with the countries of the region. In general, the people of South Asia share our devotion to democracy, even if some of the governments fall short of that commitment. While undoubtedly there are feudal remnants and pockets of Islamic fundamentalism, most of the people that live in that region value human rights, oppose terrorism, and want to protect their increasingly endangered environment. A commitment to free markets is relatively new, but economic reform has strong intellectual support, and there is a growing middle class committed to opening the economies of the region. An entrepreneurship of ideas is also flourishing in South Asia. There are numerous independent think tanks, where ideas compete and good ideas, like free markets, can grow.

The most important imperative of post Cold War South Asia is that the countries and peoples of the region have decided to join the global economy and act on the global stage. They are attempting to reform their economies from socialism to free markets and someday graduate from the developing to the developed world. They will accomplish these goals with or without American participation. It is in America's best interest to act as a friend and partner to the countries of South Asia and participate with them in their transition.

Let's shift to specifics.

India

India is the greatest under-exploited opportunity for American foreign policy. Since the end of the Cold War and the Indian government's 1991 enactment of economic reforms, the U.S.-India relationship has developed from mutual suspicion to dreams of a grand alliance by some. Although it is easy to see the potential of an American-Indian coalition, we do need to take into account the obstacles that still exist. India's economy is growing, make no mistake about it, and it has a long way to go before it will be considered a safe berth for foreign direct investment. Then there is the fact that many Americans really know very little about India and few seemingly desire to know more.

Nevertheless, both countries share concerns about terrorism and China's emergence as a world power, while sharing the moral certainty that democracy is the best form of government for our own countries and the world. Moving the relationship from where we are today to a future where the United States and India work closely together to secure global peace and prosperity should be the priority task of American foreign policy in the 21st century.

India and China

The United States needs to build its relationship with India with an eye toward regional and world security. The U.S.-India relationship is valuable for its own sake and, in the Indian view, should not thought of as an anti-Chinese alliance. Beijing fears an American containment strategy with India as its South Asian cornerstone. An open American strategy of attempting to use India to balance China

would be counterproductive to the development of US-India relations. For India, outright confrontation with China would be expensive and pointless as long as China can be convinced to cooperate on key Indian interests such as border dispute resolutions, nuclear and missile proliferation with Pakistan and Islamic terrorism.

For the United States, policy should focus on building India's economic competitiveness, its military capability and its international standing in forums such as the United Nations to counter growing Chinese hegemony if necessary. Both the Indians and Americans have an interest in a peaceful, non-threatening China, and both need to take careful, sophisticated measures to move China in that direction while at the same time, in effect, preparing for other contingencies.

India and Trade

If India is important to American foreign policy, then opening India's economy should be Washington's first priority. Plans and ideas of mutual cooperation in defense, space and environmental protection all depend on India having the resources to carry out its side of the bargain. Many economists both within India and abroad predict high growth levels in the decades ahead that will propel India to "great power" status. Goldman Sachs released a report in 2003, which predicts that by 2050, India will be the third largest economy behind China and the United States. This prognosis is based primarily on the relative youth of the labor pool and the expected growth of India's population over the next fifty years.

The U.S. economy is already closely intertwined with the Indian service sector and the growing Indian middle class (now larger than the U.S. middle class) provides a huge market for American businesses and investors. Without continued progress in economic liberalization, India's potential will remain unrealized. The United States must continue to offer its expertise to India by placing India as a high priority for the United States Trade Representative, bearing in mind that economic liberalization will take time.

India and the United Nations

India's role in the United Nations is very problematic for the United States. In 2004, India voted with the United States in the United Nations only 20 percent of the time. In comparison, China and Russia vote with the United States less than India, supporting the U.S. 8.8% and 18.6 % respectively. This begs the question of whether it is in U.S. interests to support the expansion of the United Nations Security Council (UNSC) with multiple new permanent members. It already is difficult for the United States to get key resolutions adopted with a current 15 member Security Council. However, if we believed that India would support U.S., interests to a greater extent, it may well be in America's interest to support a permanent seat for the Delhi. The United States should weigh carefully the kind of U.N. role for India that would be in our overall interest, understanding that New Delhi is never going to agree with us 100% of the time.

U.S.-Indian Security Cooperation

U.S.-Indian defense cooperation is the most dramatically evolving aspect of the bilateral relationship. When India tested its first nuclear weapon in 1998 the United States stopped all defense cooperation with India. Now the United States has restored all conventional mil-to-mil cooperation. Under the auspices of the Next Steps in Strategic Partnership (NSSP), the U.S. began cooperation with India on the civilian use of nuclear power and civilian space programs.

In a March 21, 2005 op-ed in the Wall Street Journal Ambassador Robert Blackwill asked the question, "Why should the U.S. want to check India's missile capability in ways that could lead to China's permanent nuclear dominance over democratic India? " Indeed, there is every reason to help India become a friendly strategic partner and for India to possess a deterrent that would inhibit Chinese adventurism in the region. The United States should continue to expand and deepen its military relationship with India.

India and Pakistan Ceasefire

The India-Pakistan ceasefire has now held for 19 months (since November 2003), but the talks to move from a ceasefire to a peace agreement seem little closer to resolution than when they began. The obstacle is that neither side has the political will to compromise on Kashmir. India wants to establish the Line of Control (LOC)-- the military line that divides Kashmir-- as the permanent international border between Pakistan and India. Pakistan, on the other hand, refuses to accept the LOC as the permanent border. Both countries are also divided on American participation in resolving the issue. Pakistan is desperately trying to gain American involvement, while India steadfastly opposes any "third party interference."

Nevertheless, on April 18, 2005 Pakistani President Pervez Musharraf and Prime Minister Manmohan Singh signed a declaration that the peace process was irreversible. Cross border terrorist attacks from Pakistan into India have declined by 60 percent, although a new anti-infiltration fence along the border may have had as much to do with the reductions as the change in politics . In another positive sign, there have been far fewer cross-border artillery duels. As a consequence of the peace process, life along the LOC has begun to improve. On April 7, cross border bus service resumed and both governments have permitted an increase in informal people-to-people contacts between family and friends divided by the LOC. Both sides are also working towards greater economic integration. Although final resolution to the question of Kashmir seems distant, there appears to be little desire for a return to military confrontation. Peace between Pakistan and India is a key American interest and letting them work it out peacefully amongst themselves is the best course for American policy.

Pakistan

Pakistan has been an important bulwark against terrorism. President Musharraf joined the war on terrorism, despite the numerous political and personal risks. Musharraf should be congratulated and rewarded for those deeds. But, at the same time caution is also warranted, as intelligence reports repeatedly assert that in the border area with Afghanistan, Taliban and al Qaeda remnants continue to find a safe haven, and often with the connivance of local Pakistani authorities. Additionally, Pakistan not yet fully accounted for, or revealed, the full extent of it nuclear program, nuclear and missile technology proliferation or let the United States interview Dr. Abdul Qadeer Khan, the man considered most responsible for Pakistan's nuclear weapons development and proliferation.

The long-term stability of Pakistan depends on the return of democracy, and it will not be guaranteed by side deals with local magnates or corrupt politicians. Musharraf must be asked to make good on his many promises and return democracy fully to Pakistan, using free and fair election.

U.S. policy should focus on the war on terrorism, dismantling Pakistan's illegal nuclear proliferation network, strengthening Pakistan's economy, and promoting democracy.

Bangladesh

Bangladesh has managed to cling to many elements of democracy despite the considerable challenges of its geography, its population and economic troubles. The government appears to be incapable of enforcing law and order. Human rights abuses by the security forces, official corruption, anti-government insurgencies and organized crime prevail. Chittagong, Bangladesh's major ports, is one of the worst ports for maritime piracy outside Southeast Asia. Some ships docked in the port report being attacked two or three times in a single night. Additionally, the weak rule of law has lured international terrorists. Despite Bangladesh government denials, the U.S. State Department reports that Al Qaeda-linked terrorists are operating in the country.

American policy toward Bangladesh should focus on strengthening all aspects of the rule of law including police, prosecutors, and the judicial system.

Nepal

The security problem in Nepal is growing worse and there is a possibility that Nepal will fall to the Maoist rebels. Nepal has been embroiled in a civil war with a Maoist communist insurgency since 1996. By 2004, the insurgency claimed more than 11,000 lives, spreading to 68 of Nepal's 75 districts and the communist forces nearly surround the capital, Katmandu. On February 1, 2005 King Gyanendra dismissed the government, declared a national emergency and instituted an absolute monarchy.

India, the United Kingdom and the U.S, condemned the King's power grab, while China welcomed it. Despite the insurgents claim that they are Maoists, China denies any connection to the communist insurgency and supports the government of Nepal, in exchange for Nepal's suppression of Tibetan refugees. India has moved additional forces into states adjacent to Nepal in order to contain any spill over from the insurgency or related organizations.

Since the King dissolved the government there has been a dramatic increase in human rights abuses, proving that an absolute monarch is in some cases no better than a communist dictatorship. The United States should maintain its arms embargo on Nepal until the King restores democratic rule. The current Pentagon policy of providing human rights training to the military is acceptable, but should not be expanded. Human rights abuses in Nepal are not a product of poor training, but bad policy. Additionally, the United States should consult with India on how the U.S. can assist India in suppressing insurgent forces operating in India's territory adjacent to Nepal.

Sri Lanka

In Sri Lanka, government forces and Tamil Tiger insurgents cooperated during the first days after the December 2004 tsunami disaster. This cooperation may have been because it was Tamil areas that were particularly hard hit by the flood. Only a few weeks later, the Tamil Tiger leadership was complaining of discrimination against Tamils in the distribution of international aid. There is little

evidence that the brief time that the Tamil Tigers and Sri Lankan government worked together on disaster relief will lead to a rebuilding of the tentative ceasefire accords that fell apart in mid-2004.

By June 2005 the Sri Lankan government and the Tami Tigers had managed to work out a "Joint Mechanism" for the distribution of tsunami aid, but the agreement appears fragile at best with very little commitment on either side. U.S. policy should be to maintain the Liberation Tigers of Tamil Eelam (LTTE) on the list of international terrorist organizations while at the same time limiting lethal aid to Sri Lanka's security forces.

CONCLUSION

South Asia is a region that stands on the brink of becoming a major economic and military power. A little over a decade ago South Asia was regarded by the United States as a third-class backwater. Today this attitude has largely dissipated. It is not only Pakistan and India's nuclear capabilities that have drawn the attention of the United States and other developed nations, but also the region's rapidly growing economy. The dependence of many multinational firms on the regional service sector has made India and other regional countries a permanent priority to American policymakers.

I will conclude my remarks here by thanking the Committee for inviting me to speak and I look forward to your questions.